

# EXHIBIT 4



# The Capital Tide Ebbs

By Frances Denmark

**E**arlier this year the City of Baltimore Employees' Retirement System made its first foray into absolute-return investing, allocating a small chunk of its assets to three funds of hedge funds. And as has often been the case with U.S. pension funds, the \$1.2 billion plan took its sweet time in choosing managers.

"Other plan sponsors I spoke with were all very cautious," says Roselyn Spencer, executive director of the fund. After nearly three years of research, educational efforts and vendor presentations, the retirement system's trustees decided to allocate \$50 million among Grosvenor Capital Management in Chicago, Suoritus Partners in New York and Attalus Capital in Bala Cynwyd, Pennsylvania.

By allocating just a tiny slice of their trillions of dollars in assets, pension funds like Baltimore's have been driving huge growth in funds of hedge funds, which are often viewed as the preferred route for gaining their first exposure to absolute-return strategies. The managers constituting *Alpha's* latest Fund of Funds 50 — our fourth annual ranking of the world's biggest multimanager hedge fund firms, ranked by assets under management for the 12-month period ended June 30 — run a combined \$454 billion. That's up 27 percent from the \$358 billion the 50 biggest firms managed as of June 2004.

This year's increase, however, is less than half of 2004's stunning 70 percent jump in fund-of-funds assets. Asset growth has slowed in part because the same pension funds — with their requests for proposals, trustee meetings and pension consultants — are also lengthening the sales cycle for funds of hedge funds.

Zürich-based banking giant UBS retains its hold on the top spot in the Fund of Funds 50, with \$45.0 billion in assets as of June 30, 2005, up 17 percent from \$38.4 billion at the end of June 2004. Man Investments in the U.K. is again No. 2, with \$35.6 billion in fund-of-funds assets

under management, followed once again by Geneva's Union Bancaire Privée, with \$20.8 billion.

The fastest growing firm in the 2005 Fund of Funds 50 is Geneva-based 3A (which stand for Alternative Asset Advisors), ranked No. 33. The assets of the firm, a unit of Swiss banking group SYZ & Co., grew 74 percent, to \$4.2 billion. Several other firms saw their assets grow by 50 percent or more, including New York-based firms Arden Asset Management (No. 16, with \$9.2 billion) and AIG Global Investment Group (No. 22, \$6.7 billion), and K2 Advisors (No. 46, \$3.5 billion) in Stamford, Connecticut.

Overall, the hedge fund industry has seen a slowdown in asset flows as this year has progressed. Hedge funds took in \$9.4 billion in the third quarter, according to Chicago-based database company Hedge Fund Research. That's down from the \$10.9 billion and \$27.4 billion that flowed into hedge funds in the second and first quarters, respectively.

Joshua Rosenberg, president of HFR, says certain sectors of the hedge fund industry held up better than others. "Single managers continued to receive assets, as there was an increase of money into relative-value and event-driven multistrategy funds," he explains.

Funds of funds saw the biggest dropoff. They experienced a net outflow of \$1.2 billion in assets in third-quarter 2005, after having gained \$3.5 billion in new assets in the

The flood of money into hedge funds is starting to slow. But our fourth annual ranking of the world's biggest multimanager hedge fund firms shows that it certainly hasn't stopped.

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## ALPHA'S 50 BIGGEST FUNDS OF HEDGE FUNDS

Rank 2005 2004	Firm, location, fund name(s)	Total assets (\$ millions) 2005 2004	Discretionary assets (\$ millions)	White-label/ subadvisory assets (\$ millions)	Advisory assets (\$ millions)	Fund capital (\$ millions)	Style
1	1	<b>UBS</b> (Zürich, Switzerland)	\$44,974 <sup>*</sup> \$38,388				
		<b>UBS Alt. &amp; Quantitative Investments</b> (Stamford, CT)	24,628 18,048	\$15,096	\$ 8,721		
		<b>Global Asset Mgmt</b> (London, U.K.)	18,246 17,940	18,246			
		<i>GAM Diversity strategy</i>				\$8,542	Global multistrategy, diversified
		<i>GAM Trading strategy</i>				4,978	Trading diversified
		<i>GAM Multi-Europe strategy USD</i>				1,078 <sup>1</sup>	European multistrategy with equity hedge bias
		<i>GAM Multi-arbitrage strategy</i>				948	Arbitrage diversified
		<i>GAM Emerging-markets multi-strategy</i>				479	Emerging-markets multistrategy with equity hedge bias
		<b>UBS Fund Advisor</b> (Washington, D.C.)	2,100 <sup>*</sup> 2,400				
2	2	<b>Man Investments</b> (London, U.K.)	35,600 18,586	35,260	340		
		<b>RMF Inv. Group</b> (Pfäffikon, Switzerland)	16,200 13,653				
		RMF Four Seasons Strategies				1,703	Diversified
		RMF Absolute Return Strategies				1,603	Diversified
		<b>Man Global Strategies</b> (London, U.K.)	14,400				
		Man Multi-Strategy				5,809	
		Man IP220				4,286	
		<b>Glenwood Capital Investments</b> (Chicago, IL)	5,000 4,933				
		Man-Glenwood Multi-Strategy				2,511	Multistrategy, multimanager
3	3	<b>Union Bancaire Privée</b> (Geneva, Switzerland)	20,767 15,876	17,674	\$ 0	3,093	
		Selectinvest Arbitrage/Relative Value				3,592	Event-driven, distressed securities, arbitrage
		Divest - Total Return				815	Long-short equities, trading, opportunistic
		Selectinvest Arbitrage/Relative Value - A Shares				738	Arbitrage, relative-value
		Selectinvest MultiStrategy - A Shares				251	Multistrategy
		Selectinvest MultiStrategy Ltd.				241	Diversified
4	6	<b>HSBC Private Bank (Suisse)/HSBC Republic Investments</b> (London, U.K.)	20,200 13,800	2,800		17,400	
		HSBC GH Fund - U.S. Dollar Class				705	Diversified
		HSBC Leveraged GH Fund				705	Diversified
		HSBC Multi-Adviser Arbitrage Fund				211	Arbitrage strategies
		HSBC Hedge Investments Fund				170	Diversified
		HSBC Global Absolute				78	Global diversified
5	4	<b>Permal Asset Mgmt</b> (New York, NY)	18,813 <sup>2</sup> 15,099	13,733	2,168	2,912	
		Permal FX, Financials & Futures				4,147	Global macro
		Permal Inv. Holdings				3,461	Diversified, directional
		Hausmann Holdings				3,000	Diversified
		Permal Global High Yield Holdings				1,935	Diversified
		Permal Japan Holdings				815	Diversified, Japan focus
6	11	<b>Société Générale</b> (Paris, France)	15,868				
		<b>Lyxor Asset Mgmt</b> (Paris, France)	13,591 <sup>3</sup> 10,313	13,591			
		Lyxor Global Index Tracker - Class D				479	Diversified
		<b>SGAM Alt. Investments</b> (Paris, France)	2,277	2,167	110		
7	7	<b>Quellos Capital Mgmt</b> (Seattle, WA)	15,000 12,600	15,000			
8	5	<b>Ivy Asset Mgmt Corp.</b> (Jericho, NY)	14,919 14,130	8,862	2,860	3,197	
		Rosewood Offshore Fund				1,626	Market-neutral
		Maplewood Associates II				1,394	Diversified
		Defenders Fund				919	Diversified
		Ivy Rising Stars Fund				636	Long-short equity
		Ivy Rising Stars Offshore Fund				468	Long-short equity
9	9	<b>Grosvenor Capital Mgmt</b> (Chicago, IL)	14,703 11,388	13,465	1,238		
10	8	<b>Goldman Sachs Hedge Fund Strategies</b> (Princeton, NJ)	14,222 11,759	14,222			
11	10	<b>Financial Risk Mgmt</b> (London, U.K.)	13,288 11,203	11,643	1,645		
		Absolute Alpha Diversified Fund				5,479	Diversified, market-neutral
		Financial Risk Mgmt Diversified II Fund SPC				2,492	Diversified, market-neutral
		Absolute Alpha Opportunistic Fund				785	Directional trading strategies
		Global Equity Long-Short Fund				530	Global long-short equity
		Financial Risk Mgmt Diversified Fund				389	Diversified, market-neutral
12	14	<b>Pictet &amp; Cie.</b> (Geneva, Switzerland)	13,000 8,752	5,000			

Only the five biggest funds managed by each firm are shown in the table.

All assets are as of June 30 of the respective year, unless otherwise indicated.

<sup>1</sup> Includes multi-Europe dollar and multi-Europe euro strategies.

<sup>2</sup> Alpha estimate; asset total adjusted to reflect Permal's fractional control of Hausmann Holdings.

<sup>3</sup> Lyxor Asset Mgmt ranked No. 11 as a stand-alone entity in 2004.

Italics indicate that a composite is shown or multiple funds have been combined.

<sup>\*</sup> Alpha estimate.

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second quarter and \$9.4 billion in the first quarter.

Part of the problem for funds of hedge funds has been performance. In 2004 the HFR fund-of-funds composite index was up 6.9 percent, compared with an 11.6 percent return in 2003. Returns haven't fared much better this year. Through September, the HFR index was up 5.1 percent. Rosenberg says fund-of-fund flows tend to lag after a drop in performance.

Despite the slowdown, fund-of-funds firms are sanguine about the future growth to come from the pension community. "We continue to see interest from public pension plans, Taft-Hartley, corporate pension plans and insurance companies both in the U.S. and abroad," says David Saunders, founding managing director of K2.

This year we asked respondents to our Fund of Funds 50 questionnaire whether they had noticed any change in interest in fund-of-funds investing among pension funds over the past year. Of the 78 firms that answered the question, 7.7 percent saw weakening interest, 11.5 percent saw no change, and a whopping 80.8 percent reported that pension interest in hedge fund investing had increased.

"There are so many pension funds that haven't come into this space yet; there is a pipeline of demand," says Neil Brown, managing director at Citigroup Alternative Investments (No. 48, with \$3.2 billion in assets).

The bad news for fund-of-funds managers is that the pension funds yet to make investments in hedge funds will require more time than the first funds did to pull the trigger on hedge investing. "The prospective clients that have yet to invest are less sophisticated, or they are faced with fiduciary processes that prevent them from going into hedge funds," says James McKee, director of hedge fund research for pension consulting firm Callan Associates in San Francisco.

Today, an investment lead-time of two to three years is not uncommon. And some pension officials are moving more to a private equity model of making their hedge fund allocations over time rather than all at once, says Philip Maisano, CEO of fund-of-funds manager EACM Advisors in Norwalk, Connecticut, which was acquired in August

2004 by Pittsburgh-based Mellon Financial Corp. (No. 45, with \$3.6 billion in assets).

And increasing sophistication among pension funds that have already committed to hedge funds could put more pressure on fund-of-funds managers. Maisano and others believe that funds of hedge funds will control the vast majority of inflows from pension funds into hedge funds as long as allocations remain small. "When it gets up to 15 to 20 percent, everything changes," Maisano says.

He believes that institutions might insist on separate accounts when alternative allocations exceed \$100 million. Ultimately, some investors could leave funds of funds behind and choose their own individual managers. "Investors like us are increasingly interested in cutting out the middle man," says one Northeastern U.S. corporate plan sponsor.

As in-house expertise increases, some pension plans may embrace a core-satellite structure, with funds of funds providing core hedge fund investment and a consultant providing guidance and access to single-manager funds. International Paper Co. in Stamford is already pursuing that strategy, says Robert Hunkeler, vice president of investments for the \$6.8 billion pension fund.

International Paper has split \$250 million among three firms' portfolios: New York-based Blackstone Alternative Asset Management (No. 15, with \$9.3 billion) and UBS funds of funds, and a multistrategy, single-manager portfolio run by Ramius Capital Group in New York.

If demand does shift in favor of single-manager funds, fund-of-funds firms may be pressed by their investors to reduce fees. "New business will be won by managers going off their list price," confides one consultant who believes this would rejuvenate the industry. His prediction: Managers will charge a flat fee of no more than 1 percent of assets, dispensing entirely with incentive fees, which today typically range from 5 to 10 percent of profits.

As every industry matures, prices eventually come under pressure. Even as fund-of-funds firms are forced to lower fees, they'll have a pretty nice business if they can continue to grow assets at 25 percent or more a year.

## How We Compiled the Ranking

**T**he Fund of Funds 50 reveals which managers run the most assets in funds of hedge funds. Each listing shows a firm's total multimanager hedge fund assets, distinguishing between assets over which the manager exercises complete discretion; assets for which it plays a subadvisory role (as with a private-label fund distributed by another institution); advisory mandates, where the client retains some authority; and indexed multimanager portfolios.

For each of the firms' funds of hedge funds, we show capital (before leverage) and investment style. Only multimanager

hedge fund portfolios are included in the asset figures; single-manager funds and other assets are not included. Assets are stated in millions of dollars. Those reported in other currencies have been translated to dollars at the appropriate exchange rate. All data are current as of June 30 of the respective year, unless otherwise noted.

The data were gathered from questionnaires completed by the funds of funds themselves, research in the public record and extensive staff reporting. In some cases we have included estimates based on our reporting. When a piece of data was

unobtainable for a fund or firm, we left the corresponding field blank.

Inevitably, we will have overlooked some institutions that belong on our list. If we missed yours, please send an e-mail to [Fof50@iimagazine.com](mailto:Fof50@iimagazine.com) to request a questionnaire for the 2006 ranking.

This ranking was compiled under the direction of Director of Research Operations Group Sathya Rajavelu, Assistant Managing Editor for Technology and Development Lewis Knox and Senior Editor Jane B. Kenney, with assistance from Associate Editor Michele Bickford.

## The Fund of Funds 50

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## ALPHA's 50 BIGGEST FUNDS OF HEDGE FUNDS

Rank 2005	Rank 2004	Firm, location, fund name(s)	Total assets (\$ millions) 2005	Total assets (\$ millions) 2004	Discretionary assets (\$ millions)	White-label/ subadvisory assets (\$ millions)	Advisory assets (\$ millions)	Fund capital (\$ millions)	Style
13	17	<b>Crédit Agricole Alt. Inv. Products Group</b> (Paris, France)	\$11,805	\$8,024	\$7,182	\$3,267	\$1,356		
		Green Way Arbitrage I Class D (USD) <sup>4</sup>						\$2,554	Arbitrage
		Green Way Class A (USD) <sup>4</sup>						2,172	Diversified
		Green Way Equilibre						727	Diversified
		Green Way Market Neutral Fund Class A (JPY)						621	Market-neutral
		Green Way Special Opportunities Fund Class A (USD)						612	Diversified
14	12	<b>Notz Stucki &amp; Cie.</b> (Geneva, Switzerland)	10,700	9,050					
15	13	<b>Blackstone Alt. Asset Mgmt</b> (New York, NY)	9,300	8,800	9,300				
		Blackstone Partners Strategy						2,600 <sup>5</sup>	Diversified; market-neutral
		Blackstone Madison Avenue Strategy						1,700 <sup>5</sup>	Diversified; market-neutral
		Blackstone Park Avenue Strategy						1,370 <sup>5</sup>	Primarily long-short equity
		Blackstone Fifth Avenue Strategy						842 <sup>5</sup>	Opportunistic
		Blackstone Hedged Equity Strategy						778 <sup>5</sup>	Hedged equity
16	22	<b>Arden Asset Mgmt</b> (New York, NY)	9,212	6,010	9,212				
		Arden Endowment Advisers						2,898	Market-neutral
		Arden Alt. Advisers, Master						1,557	Market-neutral
		Arden Strategic Advisers <sup>6</sup>						938	Emerging managers, market-neutral
		Arden ERISA Fund						379	ERISA-dedicated, market-neutral
		Arden Opportunity Fund						126	Special situations
17	20	<b>Pacific Alt. Asset Mgmt Co.</b> (Irvine, CA)	8,903	6,271	7,303		1,600		
		Moderate multistrategy						4,929	Diversified
		Moderate market-neutral						748	Market-neutral
18	15	<b>J.P. Morgan Alt. Asset Mgmt</b> (New York, NY)	8,825	8,039	7,116		1,709		
		J.P. Morgan Multi-Strategy Fund						2,248	
		J.P. Morgan Multi-Strategy Fund II Ltd.						1,786	
		J.P. Morgan Opportunistic Holdings						606	
		J.P. Morgan Multi-Strategy Fund II LP						603	
		J.P. Morgan Diversified Holdings						452	
19	21	<b>Mesirow Advanced Strategies</b> (Chicago, IL)	8,213	6,104	8,213				
		Mesirow Equity Opportunity Fund						1,789	Diversified, global and sector-specific funds
		Mesirow Event Master Fund						1,284	Merger arbitrage, corporate events, distressed securities
		Mesirow Alt. Strategies Fund						1,122	Diversified, low volatility, multistrategy fund
		Mesirow Distressed Master Fund						964	Distressed corporate debt, capital structure arbitrage, specialized credits
		Mesirow Balanced Equity Fund						183	Market-neutral, hedged equity targeting approximately zero beta
20	18	<b>Tremont Capital Mgmt</b> (Rye, NY)	8,200	7,320	3,200	400	4,600		
		Tremont core diversified composite						1,970	Diversified
		Tremont market-neutral composite						850	Market-neutral
		OFI Tremont Core Strategies Hedge Fund						247	Diversified
		OFI Tremont Market Neutral Hedge Fund						72	Market-neutral
21	16	<b>CSFB Alt. Capital</b> (New York, NY)	7,928 <sup>7</sup>	8,036	4,790				
22	28	<b>AIG Global Inv. Group</b> (New York, NY)	6,678	4,311	6,678				
		AIG Select Hedge						1,084	Diversified
		AIG Diversified Strategies Fund						701	Diversified
		AIG Relative Value						150	Relative-value
		AIG Strategic Hedge Fund of Funds						53	Diversified
		AIG Long/Short Equity Portfolio						40	Long-short equity
23	24	<b>Harris Alternatives</b> (Chicago, IL)	6,665	5,326	6,665				
		Aurora Offshore Fund						2,649	Diversified
		Aurora						1,643	Diversified
		Aurora Offshore Fund II						1,054	Diversified
		Aurora Hedged Equity Offshore Fund						196	Hedged equities
		Aurora Global Opportunities <sup>8</sup>						126	Diversified
24	19	<b>DB Absolute Return Strategies</b> (New York, NY)	6,587	6,877	6,587				
25	25	<b>RBS Asset Mgmt</b> (London, U.K.)	6,501	5,244	6,501				
		Orbita Global Opportunities Strategy						2,351	Diversified, directional
		Orbita Capital Return Strategy						1,722	Diversified, market-neutral
		Orbita European Growth Strategy						1,059	Diversified, directional
		Diversified Strategy Fund (Cayman)						690	Diversified, directional
		Orbita Asian Growth Strategy						679	Diversified, directional

<sup>4</sup> All classes.<sup>5</sup> As of July 1, 2005.<sup>6</sup> Onshore and offshore.<sup>7</sup> Does not include Swiss fund-of-funds assets; includes \$3.14 billion in indexed multimanager portfolios.<sup>8</sup> Formerly Stellar Partners.



## ALPHA's 50 BIGGEST FUNDS OF HEDGE FUNDS

Rank 2005 2004	Firm, location, fund name(s)	Total assets (\$ millions) 2005 2004	Discretionary assets (\$ millions)	White-label/ subadvisory assets (\$ millions)	Advisory assets (\$ millions)	Fund capital (\$ millions)	Style
26 27	<b>Lehman Brothers Alt. Inv. Mgmt</b> (New York, NY)	\$6,236 <sup>9</sup> \$4,705	\$5,705	\$ 531			
	Lehman Brothers Diversified Arbitrage Fund II					\$1,949	Market-neutral
	Lehman Brothers Long/Short Fund II					1,526	Directional
	Lehman Brothers Offshore Diversified Arbitrage Fund II					879	Market-neutral
	Lehman Brothers Offshore Long/Short Fund II					201	Directional
27 26	<b>EIM</b> (Nyon, Switzerland)	6,040 5,206	5,681		\$ 359		
	Albion Alt. Strategies					90	Diversified
28 43	<b>Gottex Fund Mgmt</b> (Lausanne, Switzerland)	5,185 3,012	5,142	43			
	Gottex Market Neutral Fund					4,447	Market-neutral
	Gottex Market Neutral Fund II <sup>10</sup>					561	Diversified, market-neutral
	Gottex Relative Value & Event Driven Fund					441	Relative-value and event-driven strategies
	Gottex Trading Fund					131	Macro/CTA
	Gottex Absolute Return Fund <sup>10</sup>					125	Diversified
	Gottex Hedged Equity Fund					125	Hedged equities strategies
29 23	<b>Morgan Stanley Alt. Inv. Partners</b> (West Conshohocken, PA)	5,104 5,385	5,104				
30 35	<b>Pioneer Alt. Investments</b> (Dublin, Ireland)	4,727 3,565	4,727				
	Momentum AllWeather Fund					1,158	Diversified
	Meteor Opportunities Fund					788	Diversified
	Momentum AllWeather Institutional Fund					765	Diversified
	Momentum AllWeather Strategies II Master Fund (USD)					699	Diversified
31 30	<b>Atlas Capital Group</b> (London, U.K.)	4,611 3,877	3,487	263	861		
	The Optimum Alt. Fund <sup>11</sup>					352	Diversified
	General Arbitrage Fund					254	Arbitrage, market-neutral
	Samurai Fund					208	Japan long-short equity
	Event-Driven Fund					188	Event-driven
	Strategic Credit Fund					141	Credit
32 46	<b>Russell Inv. Group</b> (Tacoma, WA)	4,340 2,970	4,340				
33 —	<b>3A</b> (Geneva, Switzerland)	4,215 2,423	2,015		2,200		
	ACE Sicav					467	Diversified
	3A Windrider Fund					289	Diversified
	ALTIN AG					234	Diversified
	Albertini Syz Funds					99	Diversified
	3A Gennaker Fund					26	Diversified; new, rising managers
34 45	<b>HFR Asset Mgmt</b> (Chicago, IL)	4,200 <sup>12</sup> 3,000	400	600	400		
35 47	<b>Silver Creek Capital Mgmt</b> (Seattle, WA)	4,100 2,900	4,100				
	Silver Creek Low Vol. Strategies I					2,200	Multistrategy
	Silver Creek Low Vol. Strategies II					945	Multistrategy
	Dillon Flaherty Partners					430	Diversified, multistrategy
36 40	<b>Desjardins Global Asset Mgmt</b> (Montreal, Canada)	3,931 3,183	541	3,390			
	Oxford Alt. Strategy Fund - Class A					1,903	Diversified
	Oxford Alt. Strategy Fund - Class E					912	Diversified
	Oxford Alt. Strategy Fund - Class F					254	CTA/momentum and other quantitative strategies
	Oxford Alt. Strategy Fund - Class D					227	Diversified
	Oxford Alt. Strategy Fund - Class C					94	Diversified
37 38	<b>Faucher Partners</b> (London, U.K.)	3,900 3,308	3,900				
	SelectHedge Diversified Class A USD					477	Diversified
	Javelin Fund - MultiClass F					437	Diversified, leveraged product
	Jubilee Absolute Return Fund Class A USD					105	Diversified
	StructurHedge Class A EUR					72	Diversified, structured product
	SelectHedge Relative Value Class B USD					40	Relative-value product
37 32	<b>Lighthouse Partners</b> (Palm Beach Gardens, FL)	3,900 3,700	3,900				
	Lighthouse Diversified Fund <sup>9</sup>					2,800	Multistrategy
	Lighthouse Low Volatility Fund <sup>13</sup>					461	Market-neutral
	Lighthouse Global Long/Short Fund <sup>9</sup>					120	Global long-short equity
	Lighthouse Credit Opportunities Fund <sup>14</sup>					80	Credit

<sup>9</sup> Total assets include those of Ehrenkranz & Ehrenkranz.

<sup>10</sup> The fund is an allocation portfolio that allocates capital across the company's master portfolios.

<sup>11</sup> This fund is invested in other funds of funds run by the Atlas Capital Group.

<sup>12</sup> Includes \$2.8 billion in indexed multimanager portfolios.

<sup>13</sup> Formerly named the Lighthouse SuperCash Fund; includes onshore and offshore funds.

<sup>14</sup> Does not include allocations from other Lighthouse Partners managed funds; includes only third-party investors; includes onshore and offshore funds.

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## The Fund of Funds 50

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## ALPHA'S 50 BIGGEST FUNDS OF HEDGE FUNDS

Rank 2005 2004	Firm, location, fund name(s)	Total assets (\$ millions) 2005 2004	Discretionary assets (\$ millions)	White-label/ subadvisory assets (\$ millions)	Advisory assets (\$ millions)	Fund capital (\$ millions)	Style
39 31	<b>Northwater Capital Mgmt</b> (Toronto, Canada)	\$3,835 \$3,773	\$3,835				
	Northwater U.S. Alpha Composite					\$3,835	Market-neutral
40 33	<b>Mariner Inv. Group</b> (Harrison, NY)	3,827 3,628	3,827				
	Mariner Partners/Mariner Atlantic					1,793	Diversified, market-neutral, multistrategy
	Mariner Select					1,089	Diversified, market-neutral, multistrategy
41 41	<b>Olympia Capital Mgmt</b> (Paris, France)	3,820 3,075					
42 —	<b>Ramius HVB Partners</b> <sup>15</sup> (New York)	3,755	3,067	\$688			
43 37	<b>LCF Edmond de Rothschild Asset Mgmt</b> (London, U.K.)	3,740 3,352	3,740				
	Leveraged Capital Holdings					1,265	Macro traders, equity long-short
	Asian Capital Holdings Fund					870	Directional, global macro, equity long, equity long-short Japan, equity long-short Asia, equity long-short Asia including Japan
	European Capital Holdings					813	Arbitrage, macro/traders, equity long-short
	Trading Capital Holdings					597	Relative-value, systematic nontrend, trend, global macro
44 39	<b>Investcorp Asset Mgmt Program</b> (Manama, Bahrain)	3,702 3,200	3,702				
45 —	<b>Mellon Financial Corp.</b> (Pittsburgh, PA)	3,582					
	<b>EACM Advisors</b> (Norwalk, CT)	2,929 <sup>16</sup> 2,892	1,635	684	\$ 320		
	EACM low-volatility composite					1,459	Diversified, multistrategy approach
	EACM medium-volatility composite					1,085	Diversified, multistrategy approach
	EACM Absolute Return Fund					111	Diversified, multistrategy approach
	<b>Mellon Global Alt. Inv.</b> (London, U.K.)	653					
	Mellon Sanctuary Fund					403	
	Mellon Sanctuary Fund II					92	
	Mellon Symmetry Fund					35	
	Mellon Nippon Absolute Fund					12	
46 —	<b>K2 Advisors</b> (Stamford, CT)	3,453 2,300	2,964	489			
	K2 Master Fund/K2 Inv. Partners					1,514 <sup>17</sup>	Sixty to 70 percent long-short equities, 30 to 40 percent low volatility
	K2 Long Short Master Fund/ K2 Long Short Fund					310 <sup>18</sup>	Long-short equity
47 42	<b>Meridian Capital Partners</b> (Albany, NY)	3,246 3,043	3,130	116			
	Meridian Horizon Fund					1,037 <sup>19</sup>	Diversified
	Meridian Diversified Fund Ltd. <sup>20</sup>					998	Diversified
	Meridian Performance Partners					402	Hedged equity
	Meridian Diversified Compass Fund					325	Diversified
	Meridian Diversified Fund L.P. <sup>20</sup>					185	Diversified
48 36	<b>Citigroup Alt. Investments Fund of Hedge Funds Group</b> (New York, NY)	3,228 3,514	1,979		1,249		
	Legion Strategies					782	Diversified
49 49	<b>Optimal Inv. Services</b> (Geneva, Switzerland)	3,209 2,850		326			
	Optimal Arbitrage					1,099	Relative-value arbitrage
	Optimal European Opportunites					438	Long-short equity
	Optimal Multistrategy Ireland					434	Multistrategy, including equity hedge, relative-value, tactical trading
	Optimal Global Trading					411	Global macro/discretionary; systematic/ trend following; global macro/diversified
	Optimal U.S. Opportunities Ireland					253	Long-short equity
50 —	<b>AGF Alt. Asset Mgmt</b> (Paris, France)	3,196 2,148	2,593	603			
	Phénix Alt. Holdings					1,523	Diversified
	KGH USD Licorne					603	Diversified
	W Finance Arbitrage					453	Diversified
	AGF Multi Alternatives					195	Diversified
	Argos					113	Diversified

<sup>15</sup> Partnership resulting from the combination of the fund-of-funds businesses of Ramius Capital Group and Bayerische Hypo-und Vereinsbank.

<sup>16</sup> As of July 1, 2005; EACM Advisors ranked No. 48 as a stand-alone entity in 2004, before its August 2004 acquisition by Mellon Financial Corp.

<sup>17</sup> Assets shown are for K2 Master Fund, L.P.

<sup>18</sup> Assets include those of K2 Long Short Master Fund and K2 Overseas Long Short Fund I, Ltd.

<sup>19</sup> Assets include those of Meridian Horizon Fund II, L.P., which began accepting capital on January 1, 1999.

<sup>20</sup> Managed by Meridian Diversified Fund Management, LLC, an affiliate of Meridian Capital Partners.

Be sure to visit [www.institutionalinvestor.com/alpha](http://www.institutionalinvestor.com/alpha) for additional information on the Fund of Funds 50, including returns for individual funds, fund terms and conditions, head counts and data on firms too small to make our list.